

## Message Text

CONFIDENTIAL

PAGE 01 CAIRO 13104 180952Z  
ACTION NEA-11

INFO OCT-01 ISO-00 SS-15 /027 W  
-----014500 181919Z /50 42  
R 171838Z MAY 78  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 9268

C O N F I D E N T I A L CAIRO 13104

FOR ASSISTANT SECRETARY SAUNDERS FROM AMBASSADOR

E.O. 11652: GDS  
TAGS: EAID, EG  
SUBJ: FY 80 AID BUDGET SUBMISSION - EMBASSY COMMENT

1. IN FY 1980 ANNUAL USAID/EGYPT BUDGET SUBMISSION NARRATIVE, WHICH IS BEING HANDCARRIED TO AID/W ON MAY 18, USAID IS PROPOSING AT BOTH DECISION PACKAGE LEVELS (I.E., AT \$750 MILLION AND AT \$500 MILLION) THAT CIP PROGRAM BE KEPT AT \$200 MILLION, AND THAT REMAINDER OF DECISION PACKAGE FINANCING GO TO PROJECT ACTIVITIES. WHILE USAID ADVANCES SUBSTANTIAL ECONOMIC ARGUMENTS FOR THIS LEVEL OF CIP, AND WHILE NARRATIVE INCLUDES SOME CAVEATS ABOUT NEED FOR FLEXIBILITY IN CIP LEVELS DEPENDENT ON ECONOMIC AND POLITICAL SITUATION AS IT WILL ACTUALLY EXIST IN FY 1980, I AM STILL CONCERNED ABOUT THIS LEVEL. THERE IS A DIFFERENCE OF VIEW BETWEEN EMBASSY AND USAID IN LEVEL OF CIP. AT MY REQUEST, USAID SUBMISSION ARGUES FOR MINIMUM OF \$200 MILLION AND ALSO INDICATES THAT I BELIEVE FIGURE SHOULD BE HIGHER. ON THIS BASIS, AND IN VIEW URGENT NEED FOR DOCUMENT, I APPROVED ITS SUBMISSION.

2. FURTHER, I RECOGNIZE HIRC HOLDS VIEWS WHICH INDICATE CONGRESSIONAL DESIRE TO LOWER OVER TIME CIP PORTION OF OUR AID PACKAGE TO EGYPT. I BELIEVE AN EFFORT SHOULD BE MADE TO CONVINCE THE COMMITTEE THAT CONSIDERABLE FLEXI-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 13104 180952Z

BILITY WILL BE REQUIRED IN OUR EGYPT ASSISTANCE PROGRAM OVER NEXT FEW YEARS, TO INCLUDE PERHAPS INCREASED CIP FUNDING IF CIRCUMSTANCES WARRANT.

3. YOU ARE FULLY FAMILIAR WITH NEED TO KEEP EGYPTIAN DOMESTIC ECONOMY LID ON OVER NEXT FEW YEARS, WITH OR WITHOUT FINAL PEACE SETTLEMENT, SO I WILL NOT REPEAT OUR

POLICY ARGUMENTS ALREADY MADE IN RECENT PAST. OUR DISCUSSIONS HERE WITH USAID ON VITAL PART PLAYED BY CIP IN ACCOMPLISHING THIS END HAVE BEEN INCONCLUSIVE AS TO AMOUNTS THAT ARE INDICATED IN THIS CONNECTION. I BELIEVE, HOWEVER, THAT CURRENT USAID FORMULATION OF CIP FOR FY 1980 AIMS TOO LOW. I BELIEVE THAT, NOTWITHSTANDING CONGRESSIONAL ATTITUDES (WHICH, IN THE EVENT, SEEMS TO BE SOMEWHAT CONTRADICTORY AS TO NEED FOR RAPID DISBURSEMENT AND CURRENT WISH TO REDUCE CIP), PLANNING FOR FY 1980 CIP SHOULD BE AT LEVEL NOT LESS THAN CURRENT FY, I.E., 250 MILLION, IN BOTH DECISION PACKAGES.

4. PLEASE MAKE GOVERNOR GILLIGAN AND, IF YOU THINK APPROPRIATE, THE SECRETARY, AWARE OF MY VIEWS. I WILL BE AVAILABLE TO DISCUSS THIS QUESTION IN WASHINGTON SHORTLY.  
EILTS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS, EMBASSIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978CAIRO13104  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780210-0054  
**Format:** TEL  
**From:** CAIRO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780551/aaaabqws.tel  
**Line Count:** 78  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 902c3e9c-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15 jun 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2670424  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FY 80 AID BUDGET SUBMISSION - EMBASSY COMMENT  
**TAGS:** EAID, EG  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/902c3e9c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014